

Master Settlement Agreement

DESCRIPTION OF MAJOR SERVICES

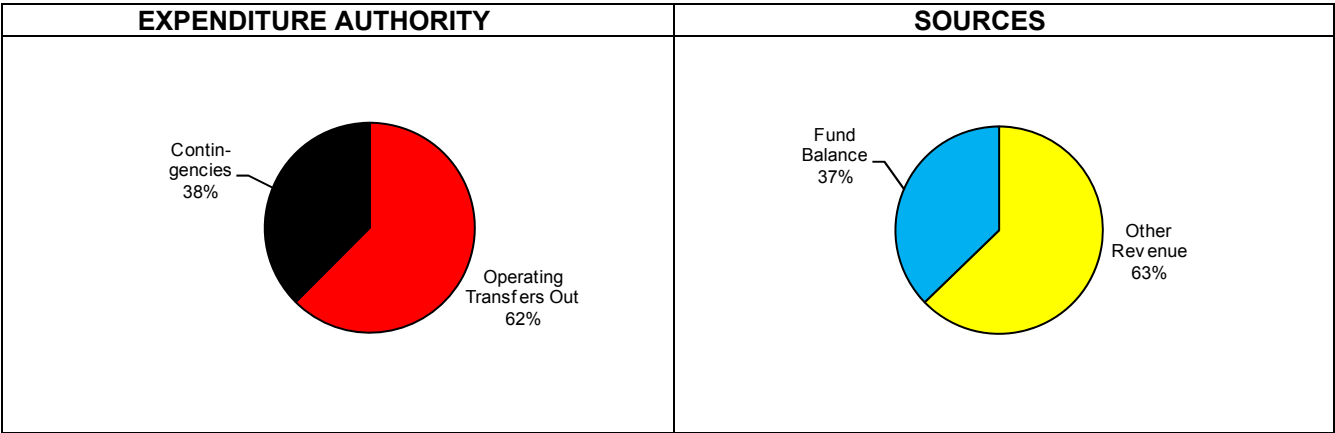
This budget unit accounts for proceeds received from the tobacco lawsuit Master Settlement Agreement (MSA). In late 1998, a settlement was reached in a lawsuit filed by states against the tobacco industry. In California, the proceeds of the settlement are to be divided equally between the state and local governments who partnered in the lawsuit. Payments to local governments are based on a formula involving total tobacco sales and each local entity's population.

Budget at a Glance

Total Expenditure Authority	\$27,207,376
Total Sources	\$17,075,000
Fund Balance	\$10,132,376
Total Staff	0

A majority of the County's total proceeds are used each year to fund a portion of the Arrowhead Regional Medical Center (ARMC) debt.

2012-13 ADOPTED BUDGET



ANALYSIS OF 2012-13 ADOPTED BUDGET

GROUP: Human Services
 DEPARTMENT: Health Administration
 FUND: Master Settlement Agreement

BUDGET UNIT: RSM MSA
 FUNCTION: Health and Sanitation
 ACTIVITY: Hospital Care

	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Actual	2011-12 Final Budget	2012-13 Adopted Budget	Change From 2011-12 Final Budget
Appropriation							
Staffing Expenses	0	0	0	0	0	0	0
Operating Expenses	0	0	0	0	0	0	0
Capital Expenditures	0	0	0	0	0	0	0
Contingencies	17,084,079	0	0	0	6,877,171	10,207,376	3,330,205
Total Exp Authority	17,084,079	0	0	0	6,877,171	10,207,376	3,330,205
Reimbursements	0	0	0	0	0	0	0
Total Appropriation	17,084,079	0	0	0	6,877,171	10,207,376	3,330,205
Operating Transfers Out	15,000,000	15,000,000	17,000,000	17,000,000	17,000,000	17,000,000	0
Total Requirements	32,084,079	15,000,000	17,000,000	17,000,000	23,877,171	27,207,376	3,330,205
Departmental Revenue							
Taxes	0	0	0	0	0	0	0
Realignment	0	0	0	0	0	0	0
State, Fed or Gov't Aid	0	0	0	0	0	0	0
Fee/Rate	0	0	0	0	0	0	0
Other Revenue	21,230,071	17,409,065	17,812,890	18,134,168	18,025,144	17,075,000	(950,144)
Total Revenue	21,230,071	17,409,065	17,812,890	18,134,168	18,025,144	17,075,000	(950,144)
Operating Transfers In	0	0	0	3,146,181	0	0	0
Total Sources	21,230,071	17,409,065	17,812,890	21,280,349	18,025,144	17,075,000	(950,144)
Fund Balance					5,852,027	10,132,376	4,280,349
Budgeted Staffing					0	0	0

BUDGET CHANGES AND OPERATIONAL IMPACT

Revenues from the Master Settlement Agreement have remained stable over the past three fiscal years and are expected to remain so in 2012-13. The majority of revenue will continue to be directed towards ARMC lease payments.

MAJOR EXPENDITURES AND REVENUE IN 2012-13 ADOPTED BUDGET

Contingencies of \$10.2 million reflect available fund balance.

Operating transfers out of \$17.0 million reflect a transfer to the general fund which is then used to fund the net county cost of \$15.0 million within the Health Administration budget unit and to offset health care costs of \$2.0 million within the Department of Public Health. Health Administration uses that net county cost to fund the \$4.3 million realignment local match requirement and \$10.7 million of net debt service lease payment for ARMC.

Other revenue of \$17.0 million reflects anticipated revenue received from the major tobacco companies to the MSA budget unit. Anticipated interest of \$75,000 is also included in the total.

STAFFING CHANGES AND OPERATIONAL IMPACT

There is no staffing associated with this budget unit.

